

GENERAL ASSEMBLY RETIREMENT SYSTEM  
OF ILLINOIS

---

THIRTY-NINTH ANNUAL REPORT  
OF THE  
BOARD OF TRUSTEES

FOR THE FISCAL YEAR ENDED

June 30, 1986

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General Assembly Retirement System  
415 Iles Park Place  
Springfield, Illinois 62718

Telephone: (217) 782-8500

GENERAL ASSEMBLY RETIREMENT SYSTEM

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Norman E. Lentz,  
Administrative Secretary

A. A. Weinberg,  
Consulting Actuary

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STATE OF ILLINOIS

GENERAL ASSEMBLY RETIREMENT SYSTEM

415 ILES PARK PLACE  
SPRINGFIELD, ILLINOIS 62718  
TELEPHONE (217) 782-8500

NORMAN E. LENTZ  
ADMINISTRATIVE SECRETARY

January 30, 1987

The Honorable James R. Thompson  
Governor of the State of Illinois  
Springfield, Illinois

Sir:

As Chairman of the Board of Trustees of the General Assembly Retirement System of Illinois, I take pleasure in presenting on behalf of the Board its THIRTY-NINTH ANNUAL REPORT covering the operations of the System for the fiscal year ended June 30, 1986.

Respectfully submitted,

PHILIP J. ROCK,

Chairman

FINANCIAL AND STATISTICAL FACTSJune 30, 1986 and June 30, 1985 in Comparison

<u>At Year End</u>	<u>Fiscal Years Ended</u>	
	<u>June 30, 1986</u>	<u>June 30, 1985</u>
Net Present Assets	\$26,738,976	\$23,250,871
Investments (at cost)	26,214,899	23,015,713
Average yield on investments (at cost)	7.0%	7.1%
Active Participants	192	190
Retirement Annuitants	199	198
Survivors' Annuitants	120	116
Unfunded Accrued Liability	\$39,711,685	\$35,411,864
Rate of Funding (Security Ratio)	40.2%	39.6%
 <u>For the Year</u>		
Net Revenues	\$3,488,105	\$1,260,455
Net Investment Income and Interest on Cash Balance	1,755,643	1,704,227
Net Realized Gain (Loss) on Sale of Investments	1,516,413	(202,249)
Participants' Contributions	1,059,024	679,000
State Contributions	2,216,200	2,215,800
Retirement Annuity Payments	2,728,059	2,487,319
Annuities to Survivors	472,153	468,077
Administrative Expense	86,763	79,401
Retirements during the year	9	16
Deaths among retired members	8	5

THIRTY-NINTH ANNUAL REPORT OF THE BOARD OF TRUSTEES

For the Fiscal Year Ended June 30, 1986

The Thirty-Ninth Annual Report of the Board of Trustees of the General Assembly Retirement System of Illinois for the fiscal year ended June 30, 1986 is presented herewith. This report discusses the results of operations of the System for the year and includes a report by the Actuary on the results of an actuarial valuation as of the aforesaid date.

Membership Statistics

	<u>Participants</u>		<u>Retired</u>	<u>Survivor</u>	
	<u>Active</u>	<u>Inactive</u>	<u>Members</u>	<u>Annuitants</u>	<u>Totals</u>
Number at July 1, 1985	190	92	198	116	596
Additions	<u>7</u>	<u>3</u>	<u>9</u>	<u>6</u>	<u>25</u>
	197	95	207	122	621
Deductions	<u>5</u>	<u>14</u>	<u>8</u>	<u>2</u>	<u>29</u>
Number at June 30, 1986	192	81	199	120	592
	<u>==</u>	<u>==</u>	<u>==</u>	<u>==</u>	<u>==</u>

Inactive participants represent 81 former members of the General Assembly who elected to maintain their accumulated pension credits in the System in order to activate these credits at a later date in the form of annuities upon their attainment of the prescribed ages of retirement.

Retirements. Members on retirement at the close of the year numbered 199 receiving annual pension payments totalling \$2,751,300. The following statistics cover these pension recipients:

1. Average annual annuity	\$13,826
2. Average age at retirement	61.1
3. Average length of service	14.5
4. Average annual salary at retirement	\$22,735
5. Average age at June 30, 1986	69.3
6. Proportion of married annuitants	86.4%
7. Average annual annuity to an eligible spouse	\$9,431

Survivors' annuities. There were 120 survivors of deceased members in receipt of annuity payments totalling \$506,270 per year. This compares with 116 recipients of these annuities at the end of the preceding fiscal year. The average age of these beneficiaries at June 30, 1986 was 73.5 years. Their average age at the beginning dates of their annuities was 63.1 years.

In addition there were 3 reversionary annuities in force at June 30, 1986 receiving a total of \$16,644 per year. Their average age was 68.7 years.

Financial review. The accumulated reserves at the close of the year amounted to \$26,738,976. The increase in these reserves for the year was \$3,488,105. The accumulated contribution credits of the members were equal to 20.1% of the total reserves.

Total revenues for the 1986 fiscal year amounted to \$6,817,396 from the following sources:

Contributions and interest paid by participants . . . . .	\$1,059,024
Employer contributions by State . . . . .	2,216,200
Income from Investments . . . . .	1,775,643
Net realized gain on the sale of investments . . . . .	1,516,413
Credit transfers . . . . .	<u>250,116</u>

Total revenues for the year	\$6,817,396
-----------------------------	-------------

Total expenditures for the year amounted to \$3,329,291 for the following purposes:

Retirement annuities . . . . .	\$2,728,058
Survivors' annuities . . . . .	472,154
Refunds of member contributions . . . . .	42,316
Administrative Expenses . . . . .	<u>86,763</u>
Total expenditures for the year	\$3,329,291
Excess of total revenues over total expenditures	<u><u>\$3,488,105</u></u>

Net revenues for the year of \$3,488,105 compares with \$1,260,455 in the preceding fiscal year. The increase of \$2,227,650 was due principally to the net realized gain on the sale of investments.

Investments. The investment of the net reserves of the System is under the management of the "Illinois State Board of Investment." This agency also manages the investments of the Judges Retirement System and the State Employees' Retirement System of Illinois.

Under Article 22A of the Illinois Pension Code governing the Illinois State Board of Investment, the Chairman of the Board of Trustees of each participating retirement system is, ex officio, a member of the State Investment Board.

The assets of the General Assembly Retirement System are part of the Commingles Fund managed by the Illinois State Board of Investment which had a market value of \$2.359 billion as of June 30, 1986. The assets of the General Assembly Retirement System were approximately 1.24% of the



Commingled Fund and were diversified in the following manner:

	<u>Cost</u>	<u>Market</u>
U.S. Government and Agency Obligations	\$ 5,434,848	\$ 5,660,298
Foreign Obligations	282,736	326,875
Corporate Obligations	5,603,237	5,974,957
Convertible Bonds	220,936	240,007
Common Stock and Equity Fund	10,943,220	12,934,457
Convertible Preferred Stock	156,782	167,800
Preferred Stock	91,084	93,452
Real Estate Pooled Funds	1,554,673	1,890,586
Participating Mortgage Pooled Funds	62,178	61,935
Venture Capital	170,480	191,726
Money Market Instruments	1,595,196	1,588,951
Other Assets, less liabilities	<u>99,528</u>	<u>99,362</u>
	<u>\$26,214,898</u>	<u>\$29,230,406</u>

The Commingled Fund produced a total rate of return (Capital appreciation plus income) of 24.6% for the fiscal year 1986. This is reflective of a strong stock market and a positive bond market.

During the year, the Board fully implemented its new equity strategy. The Board chose "value" and "growth" as the two investment styles and diversified the structure between external and internal management. As a result of these changes, the Board anticipates a lessening of the volatility of the Fund's equity portfolio and, at the same time, create an investment environment that may enhance performance and may have a positive impact on the total return of the Fund in the future.

Funding. The law governing the System requires that the Board of Trustees submit to the Governor, prior to each regular session of the General Assembly, the appropriation requirements of the System for the ensuing

fiscal year. The appropriation by the State is to be in an amount which, when added to the current members' contributions and the amount of income accruing from other sources, will result in the accumulation of reserves to meet the actuarial or accrual funding of financial requirements of the System.

For the year 1986-1987 the Board of Trustees requested an appropriation of \$7,590,000 from the State of Illinois but actually received \$2,174,400 from the General Revenue Fund for that year. Based on the findings and recommendation of the Actuary of the System, an amount of \$9,200,000 has been requested for the 1987-1988 fiscal year. The appropriation requests by the Board have been consistently in an increasing amount although still below full actuarial reserve requirements. These appropriation requests are designed to bring about, over a reasonable period of time, appropriations by the State of Illinois equal to full funding in accordance with actuarial reserve requirements as contemplated by the law. The policies of the Board have been constantly directed towards this objective in order to attain, at least, the minimum standard for funding of 66-2/3%.

Concluding Comment. The results of operations for the 1986 fiscal year showed little improvement with a slight increase in the security ratio from 39.6% to 40.2%. The security ratio represents the extent to which the "total accrued liabilities" are covered by "net present assets." The low rate of funding is a result of the policy adopted by the State of making appropriations to the System on a "60% of payout" basis rather than the method of determining the State's contribution as prescribed by the pension law.

It is a satisfaction to report that management policies and procedures maintained by the Board in the operation and administration of the System conform to the highest standards. It is the policy of the Board to provide a full measure of service to the participating members and the beneficiaries of the System. The efforts of the System's administrative staff are constantly directed toward that objective.

The Board hereby acknowledges with thanks and appreciation the conscientious and dedicated services of the administrative staff headed by Norman E. Lentz, Administrative Secretary.

Respectfully submitted,

Philip J. Rock,  
Chairman

ARTHUR ANDERSEN & Co.

CHICAGO, ILLINOIS

AUDITORS' REPORT

Honorable Robert G. Cronson  
Auditor General  
State of Illinois

We have examined the balance sheet of the GENERAL ASSEMBLY RETIREMENT SYSTEM--STATE OF ILLINOIS as of June 30, 1986, and the related statements of revenue, expense and changes in fund balance, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and the standards for financial audits contained in the U. S. General Accounting Office's Standards for Audits of Governmental Organizations, Programs, Activities and Functions and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The financial statements for the year ended June 30, 1985, were examined by other auditors whose report thereon dated August 22, 1985, expressed an unqualified opinion on those statements.

In our opinion, the financial statements referred to above present fairly the financial position of the General Assembly Retirement System--State of Illinois as of June 30, 1986, and the results of its operations and the changes in its financial position

for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The Supplementary Schedules 1 and 2 are presented for purposes of additional analysis and are not a required part of the financial statements of the General Assembly Retirement System--State of Illinois. Our examination was made for the purpose of forming an opinion on the fiscal year 1986 financial statements taken as a whole. The fiscal year 1986 financial information on Supplementary Schedules 1 and 2 has been subjected to the auditing procedures applied in the examination of the fiscal year 1986 financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. The fiscal year 1985 financial information on Supplementary Schedules 1 and 2 was examined by other auditors whose report thereon dated August 22, 1985, expressed that such information is fairly stated in all material respects in relation to the fiscal year 1985 financial statements taken as a whole.

  
ARTHUR ANDERSEN & CO.

October 10, 1986

GENERAL ASSEMBLY RETIREMENT SYSTEM--

STATE OF ILLINOIS

BALANCE SHEETS

FOR THE YEARS ENDED JUNE 30, 1986 AND 1985

<u>A S S E T S</u>	<u>1986</u>	<u>1985</u>
Cash	\$ 511,796	\$ 194,235
Receivables-		
Participants' contributions	\$ 17,784	\$ 57,471
Contributions by employers other than State	3,305	-
Interest from participants	5,150	-
Refundable annuities	3,765	42
Interest on investments	4,248	2,732
	<u>\$ 34,252</u>	<u>\$ 60,245</u>
Investments held in the Illinois State Board of Investment Commingled Fund--at cost (market value: 1986, \$29,230,406; 1985, \$23,454,987)	<u>\$26,214,899</u>	<u>\$23,015,713</u>
	<u>\$26,760,947</u>	<u>\$23,270,193</u>
	=====	=====
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities-		
Annuity and refunds payable	\$ 1,119	\$ -
Accounts payable	1,801	1,766
Due to Judges Retirement System of Illinois	19,051	17,556
	<u>\$ 21,971</u>	<u>\$ 19,322</u>
Fund balance-		
Reserved-		
Actuarially determined accrued benefit cost requirements-		
Participants' contributions	\$ 5,373,363	\$ 4,612,815
Retirement and survivors' annuities in force and deferred survivors' annuities	29,820,853	26,554,373
Automatic annuity increase	1,009,112	1,062,563
Present value of liability for accrued retirement credits	30,247,333	26,432,984
	<u>\$66,450,661</u>	<u>\$58,662,735</u>
Unreserved (deficit)--unfunded accrued benefit costs requirement--representing an obligation of the State of Illinois	<u>(39,711,685)</u>	<u>(35,411,864)</u>
Fund balance--funded statutory reserves	<u>\$26,738,976</u>	<u>\$23,250,871</u>
	<u>\$26,760,947</u>	<u>\$23,270,193</u>
	=====	=====

GENERAL ASSEMBLY RETIREMENT SYSTEM--

STATE OF ILLINOIS

STATEMENTS OF REVENUE, EXPENSE AND CHANGES IN FUND BALANCE

FOR THE YEARS ENDED JUNE 30, 1986 AND 1985

	<u>1986</u>	<u>1985</u>
Contributions revenue-		
Participants	\$ 1,059,024	\$ 679,000
State of Illinois	2,216,200	2,215,800
Transfers from other systems	125,212	2,932
	-----	-----
	\$ 3,400,436	\$ 2,897,732
Net investment income	1,682,773	1,579,611
Interest earned on cash balances	92,870	124,616
Interest received from participants	124,904	14,253
Net realized gain (loss) on sale of investments	1,516,413	(202,250)
	-----	-----
	\$ 6,817,396	\$ 4,413,962
Expense-		
Benefits-		
Retirement annuities	\$ 2,448,588	\$ 2,252,408
Survivors' annuities	472,153	468,076
Automatic annual increase	279,471	234,911
	-----	-----
	\$ 3,200,212	\$ 2,955,395
Refunds	42,316	118,711
Administrative	86,763	79,401
	-----	-----
	\$ 3,329,291	\$ 3,153,507
	-----	-----
Excess of revenue over expense	\$ 3,488,105	\$ 1,260,455
Fund balance at beginning of year	23,250,871	21,990,416
	-----	-----
Fund balance at end of year	\$26,738,976	\$23,250,871
	=====	=====

The accompanying notes to financial statements  
are an integral part of these statements.

GENERAL ASSEMBLY RETIREMENT SYSTEM--

STATE OF ILLINOIS

STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED JUNE 30, 1986 AND 1985

	<u>1986</u>	<u>1985</u>
Sources of working capital-		
Working capital provided by operations-- excess of revenue over expense	\$3,488,105	\$1,260,455
Uses of working capital--investment purchases--reinvested earnings	3,199,186	1,377,361
	-----	-----
Net increase (decrease) in working capital	\$ 288,919	\$ (116,906)
	-----	-----
Elements of net increase (decrease) in working capital-		
Cash	\$ 317,561	\$ (176,486)
Receivables	(25,993)	53,881
Annuity and refunds payable	(1,119)	6,208
Accounts payable	(35)	(17,536)
Due to Judges Retirement System of Illinois	(1,495)	17,027
	-----	-----
Net increase (decrease) in working capital	\$ 288,919	\$ (116,906)
	=====	=====

The accompanying notes to financial statements  
are an integral part of these statements.



GENERAL ASSEMBLY RETIREMENT SYSTEM--

STATE OF ILLINOIS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1986 AND 1985

(1) DESCRIPTION OF SYSTEM:

General-

The General Assembly Retirement System--State of Illinois (General Assembly Retirement System) was established in 1947 as a component unit of the State of Illinois and is governed by Chapter 108-1/2, Article 2 of the Illinois Revised Statutes. The General Assembly Retirement System covers members of the General Assembly of the state and persons elected to the offices of Governor, Lieutenant Governor, Secretary of State, Treasurer, Comptroller and Attorney General for the period of service in such offices and the Clerks and Assistant Clerks of the respective Houses of the General Assembly. Participation by eligible persons is optional.

Pension Benefits-

After eight years of credited service, participants have vested rights to retirement benefits beginning at age 55, or after four years of service with retirement benefits beginning at age 62. The General Assembly Retirement System also provides annual automatic annuity increases after retirement, survivors' annuity benefits, reversionary annuity benefits, and, under specified conditions, lump-sum death benefits. Participants who terminate service may receive, upon application, a refund of their total contributions.

Funding-

The General Assembly Retirement System is funded through contributions from participants, State of Illinois appropriations and investment income. Participants in the General Assembly Retirement System contribute 8-1/2% of their salaries for retirement annuities, 2% for survivors' annuities and 1% for an annual automatic increase in the retirement annuity.

Additional funding was obtained during fiscal year 1986 as a result of a special amendment to the Illinois Statutes in Chapter 108-1/2, 2-110(i). The amendment, effective January 1, 1985, allowed members of the General Assembly Retirement System to transfer service credits from other state retirement systems

without having to pay the prior employer contributions or any associated interest provided that the member contribute an amount equal to: (a) the contribution rate in effect for participants at the date of membership in the General Assembly Retirement System multiplied by the salary then in effect for members of the General Assembly for each year of service for which credit is being granted, plus (b) interest thereon computed at a rate of 6% per annum compounded annually from the date of membership to the date of payment by the member, less (c) any amount transferred to the General Assembly Retirement System on behalf of the member.

A provision of the amendment required all members interested in transferring credits per the amendment to do so by virtue of an application submitted to the General Assembly Retirement System between January 1 and February 1 of 1986.

Such contributions amounted to approximately \$320,000 from members and \$122,000 from other state retirement systems and are reflected as contributions revenue in the financial statements.

(2) SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES:

Basis of Accounting-

The accounting records of the General Assembly Retirement System are maintained on the accrual basis.

Investments-

Investments of the General Assembly Retirement System are managed by the Illinois State Board of Investment (ISBI) pursuant to Article 22A of the Illinois Pension Code and are held in the Commingled Fund of the ISBI. Investments of the General Assembly Retirement System are reported at the cost of its units of participation in the Commingled Fund of the ISBI.

Accrued Benefit Cost-

The calculations of the accrued benefit cost (arising from service credits in periods prior to June 30, 1986 and 1985, respectively) were made by a consulting actuary as of June 30, 1986 and 1985, on the basis of the entry age normal cost method. The more significant assumptions underlying the actuarial computations are as follows:

Rate of return on investments	6%
Mortality basis	1971 Group Annuity Mortality Table (adjusted by the actuary to provide a margin for mortality increase)
Salary increases	5%

Reserves-

The actuarially determined accrued benefit cost requirements consist of the amounts necessary to provide in full for the following accrued liabilities for annuities and refunds:

(a) Participants' Contributions--Represents the amount of the total contribution credits of the members. Part of these credits is subject to refund upon termination of service in the future due to resignation or death. The remainder is applied for funding part of the annuities payable to participants now in service who may ultimately qualify for retirement and to prospective survivors of participants.

(b) Retirement and Survivors' Annuities in Force and Deferred Survivors' Annuities--Constitutes the amount required to pay out during the future lifetime of the present annuitants (retired members and survivors) the pensions granted and in force, and to fund the survivors' annuities that may become payable upon death of the retired participants.

(c) Automatic Annuity Increase--Represents the amounts collected from member and state contributions to meet the requirements for future annual increases of retirement annuities to qualified members.

(d) Present Value of Liability for Accrued Retirement Credits--Represents the amount that must be on hand to finance the state's portion of the accrued pension credits earned by participants who may qualify for retirement and their eligible survivors.

The funded statutory reserves of the General Assembly Retirement System are composed of three components as follows:

(a) Reserve for Participants Refundable Contributions--This reserve consists of active participants' accumulated refundable contributions less refunds paid.

(b) Reserve for Automatic Annuity Increase--This reserve represents participants' accumulated contributions for the automatic annuity increase plus an equal amount contributed by the State of Illinois plus 4% interest credited on the beginning balance less automatic annuity increase benefits and refunds paid.

(c) Reserve for Future Operations--This reserve is the balance remaining in the General Assembly Retirement System from State of Illinois contributions and revenue from investments after consideration of charges for payouts by the General Assembly Retirement System.

Administrative Expenses-

Administrative expenses common to the General Assembly Retirement System and the Judges Retirement System are borne 40% by the General Assembly Retirement System and 60% by the Judges Retirement System. Invoice vouchers covering common expenses incurred are paid by the Judges Retirement System, and 40% thereof is allocated to and reimbursed by the General Assembly Retirement System. Administrative expenses allocated to and reimbursed by the General Assembly Retirement System were \$75,652 and \$70,178 for the years ended June 30, 1986 and 1985, respectively.

GENERAL ASSEMBLY RETIREMENT SYSTEM--STATE OF ILLINOISSTATEMENTS OF CHANGES IN FUNDED STATUTORY RESERVESFOR THE YEARS ENDED JUNE 30, 1986 AND 1985

	<u>Total Funded Reserves</u>	<u>Reserve for Participants' Contributions for Retirement and Survivors' Annuities</u>	<u>Reserve for Automatic Annuity Increase</u>	<u>Reserve for Future Operations</u>
Balance at June 30, 1984	\$21,990,416	\$4,539,234	\$1,146,005	\$16,305,177
Add (deduct)-				
Excess (deficiency) of revenue over expense	1,260,455	513,050	(129,282)	876,687
Reserve transfers-				
Accumulated contributions of members who retired during the year	-	(439,469)	-	439,469
Reserve for automatic annuity increase credited with interest at 4% on the reserve balance at beginning of year	-	-	45,840	(45,840)
Balance at June 30, 1985	<u>\$23,250,871</u>	<u>\$4,612,815</u>	<u>\$1,062,563</u>	<u>\$17,575,493</u>
Add (deduct)-				
Excess (deficiency) of revenue over expenses	3,488,105	926,667	(95,954)	2,657,392
Reserve transfers-				
Accumulated contributions of members who retired during the year	-	(166,119)	-	166,119
Reserve for automatic annuity increase credited with interest at 4% on the reserve balance at beginning of year	-	-	42,503	(42,503)
Balance at June 30, 1986	<u>\$26,738,976</u> =====	<u>\$5,373,363</u> =====	<u>\$1,009,112</u> =====	<u>\$20,356,501</u> =====

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GENERAL ASSEMBLY RETIREMENT SYSTEM--STATE OF ILLINOISSCHEDULE OF ADMINISTRATIVE EXPENSESFOR THE YEARS ENDED JUNE 30, 1986 AND 1985

	<u>1986</u>	<u>1985</u>
Personal services and related payroll costs	\$65,276	\$61,026
Contractual services-		
Rentals-		
Office equipment	904	850
Real property	6,489	5,508
Professional and technical services	9,280	7,300
Other	2,026	1,985
Equipment	-	67
Travel	970	1,138
Commodities	826	695
Telecommunications	982	832
	<u>-----</u>	<u>-----</u>
T o t a l	\$86,763	\$79,401
	<u>=====</u>	<u>=====</u>

REPORT OF THE ACTUARY

June 30, 1986

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A.A.WEINBERG  
CONSULTING ACTUARY

REPORT ON AN ACTUARIAL VALUATION OF THE SYSTEM  
AS OF JUNE 30, 1986

Presented herewith is our report on the results of an actuarial valuation of the assets and liabilities of the General Assembly Retirement System of Illinois for the year ended June 30, 1986.

STATISTICAL DATA

The statistical data required for this valuation were compiled by the administrative staff of the System under the direction of Norman E. Lentz, Administrative Secretary. This data was supplied to us in excellent form according to our specifications. Detailed statistical tables of this data, reflecting the age, service and salary characteristics of the members and annuitants are presented in the appendix. A summary thereof is as follows:

Contributing Participants

Number	192
Annual Salaries	\$6,480,500
Average Salary	\$33,753
Average age at June 30, 1986	49.7
Average length of service	9.3
Proportion married	81.8%
Average age of spouse	49.2

Inactive Participants

Number	81
Annual Salaries	\$1,777,000
Average Salary	\$21,938
Average age at June 30, 1986	53.4
Average length of service	7.5
Proportion married	77.8%
Average age of spouse	52.2



Retired Members

Number of members	199
Total annual payments	\$2,751,294
Average payment	\$13,826
Average age at retirement	61.1
Average length of service	14.5
Average annual salary	\$22,735
Average age at June 30, 1986	69.3

Prospective Survivor Annuitants

Spouses of retired members	172
Average age at June 30, 1986	63.7
Annual prospective annuities	\$1,622,056
Average annual payment	\$9,431

Survivor Annuitants

Number of annuitants	120
Average age at June 30, 1986	73.5
Average age at commencement of annuity	63.1
Total annual payments	\$506,270
Average annual payment	\$4,219

ACTUARIAL VALUATION

Results of Valuation. The results of the valuation completed as of June 30, 1986 disclosed that the unfunded accrued liability of the System increased during the year in the amount of \$4,299,821. This was due principally to the inadequate appropriations by the State of Illinois which were considerably below the actuarial funded requirements required by the law. It is the established policy of the Board to request increasing appropriations from the State with the view of attaining, over the next several years, the minimum level of funding contemplated by the law equal to (a) the normal cost, plus (b) the annual interest accrual on the unfunded accrued liability.

As stated, the rate of funding at June 30, 1986 was determined to be 40.2%. This compares with the rate of 39.6% a year ago. This rate represents the extent to which the "total accrued liabilities and reserve requirements" are covered by "net present assets." The rate of funding is considerably below the minimum level of 66-2/3% recommended some years ago by the Illinois Public Employees Pension Laws Commission.

Purpose of An Actuarial Valuation. An actuarial valuation of a retirement system is undertaken for the purpose of establishing the true financial condition of a retirement system. The "accrued liabilities" for the several benefits comprising the benefit schedule are calculated. The "net present assets" at the date of valuation are balanced against the total accrued liabilities. Actuarial soundness exists when the "total accrued liabilities" at such date are fully covered by "net present assets." An excess of accrued liabilities over net present assets represents an actuarial reserve deficiency generally referred to as an "Unfunded Accrued Liability." Conversely, an excess of "net present assets" over the total accrued liabilities may be considered as "Surplus" which is a rarity particularly among public retirement systems.

An actuarial reserve at a given date constitutes the net liability to the members of the System for the accrued and prospective benefit obligations. It consists of (a) the present value of all prospective benefit payments, actuarially computed, less (b) the present value of expected future revenues under the prescribed method of funding.

Valuation Procedure. In any actuarial valuation certain assumptions are made with respect to the factors of mortality to be applied to the active

and retired members, rates of employment turnover, ages at which employees may retire and other pertinent factors that are applicable in establishing the effect of these decrements on future operations. These factors are reviewed periodically generally by means of the annual actuarial valuations thus giving effect to current conditions and operating trends. Adjustments in the basic factors are made periodically as required. Because of the long-term aspects of pension obligations, a forecast of probable future trends in respect to the basic factors must be predicated upon the results of operations for a long period of years. Short-term fluctuations and transitory factors cannot be relied upon as indicative of the possible future long-term expectancy.

The benefit and contribution provisions of the retirement plan forming the basis of the actuarial valuation are summarized in the appendix of this report. The several basic actuarial assumptions based upon the experience of the system over a period of years which were applied to this valuation are as follows:

1. Mortality expectancy: 1971 Group Annuity Mortality Table projected to 1986
2. Interest rate: 6% per annum
3. Turnover: 20% of active membership in a biennial period
4. Future salary increment: Average increment expectancy for the long term - 5% per year
5. Average age at retirement: 63 years
6. Marital status: 70% of the members in service were assumed to be married with the average age differential between the employee and spouse of 4 years. 65% of the members retiring on pension were assumed to be married.
7. Administrative expense: Actual annual cost

Valuation Balance Sheet. The "Valuation Balance Sheet" presented in the following pages presents the financial condition of the System as determined by the foregoing procedures. The Valuation Balance Sheet is broader in scope than the usual "Financial Balance Sheet" prepared by accountants. The Valuation Balance Sheet gives effect to the accrued actuarial liabilities under the applicable benefit and contribution rate schedules computed in accordance with actuarial criteria as previously explained.

VALUATION BALANCE SHEET

June 30, 1986

GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS

COMPARATIVE VALUATION BALANCE SHEETS

June 30, 1986 and June 30, 1985

Statement of Assets, Liabilities and Reserves

A S S E T S

<u>NET PRESENT ASSETS</u>	<u>1986</u>	<u>1985</u>
Cash, State Treasurer	\$ 511,796	\$ 194,235
Accounts Receivable	34,252	60,245
Investments at Cost - Reported by the Illinois State Board of Investment	<u>26,214,899</u>	<u>23,015,713</u>
Totals	\$26,760,947	\$23,270,193
Less, Current Liabilities	<u>21,971</u>	<u>19,322</u>
Net Present Assets	\$26,738,976	\$23,250,871
 <u>DEFERRED ASSETS:</u>		
Due from the State of Illinois for accrued pension credits (Unfunded Accrued Liability)	<u>39,711,685</u>	<u>35,411,864</u>
TOTAL ASSETS	<u><u>\$66,450,661</u></u>	<u><u>\$58,662,735</u></u>

GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS

COMPARATIVE VALUATION BALANCE SHEETS

June 30, 1986 and June 30, 1985

Statement of Assets, Liabilities and Reserves

ACTUARIAL RESERVE REQUIREMENTS

	June 30	
	1986	1985
<u>MEMBERS' CONTRIBUTION RESERVE</u>		
For accrued retirement and survivors annuities for active members	\$ 4,324,640	\$ 3,611,379
For future refunds and death benefits	<u>1,048,723</u>	<u>1,001,436</u>
	\$ 5,373,363	\$ 4,612,815
<u>STATE CONTRIBUTION RESERVE</u>		
For accrued retirement and survivors annuities	34,571,973	30,044.363
Less, available members' contribution credits	<u>4,324,640</u>	<u>3,611,379</u>
	\$30,247,333	\$26,432,984
<u>RETIREMENT RESERVE</u>		
Actuarial Value of retirement and survivors annuities in force and prospective annuities -		
Retirement and survivors annuities to spouses of retired members	25,187,115	22,031,372
Survivors annuities in force and deferred	<u>4,633,738</u>	<u>4,523,001</u>
	\$29,820,853	\$26,554,373
AUTOMATIC INCREASE IN ANNUITY RESERVE - Post-retirement increment	<u>1,009,112</u>	<u>1,062,563</u>
TOTAL RESERVE REQUIREMENTS	<u>\$66,450,661</u>	<u>\$58,662,735</u>

The following statement is explanatory of the several items comprising the "Valuation Balance Sheet."

Net Present Assets comprise the present assets less current liabilities as shown in financial statements prepared and submitted by the Administrative Secretary.

Deferred Assets constitute the amounts owing to the System on account of service rendered by employees prior to the Balance Sheet date. They are an accrued indebtedness to the System on the part of the State of Illinois. This unfunded amount is to be discharged by the periodic State appropriations under the specific mandatory provisions of the retirement law.

Members' Contribution reserve comprises the retirement and survivors annuity contribution credits of the members at the Balance Sheet Date. Part of these contributions are subject to refund in future years upon resignation or death of the members without right to benefits. The remainder is available to finance a part of the cost of the annuities for participants who may ultimately qualify for retirement and to the eligible survivors of the members whose death may occur before or after retirement.

State Contributions Reserve represents the amounts that must be on hand to finance the State's portion of the accrued pension credits earned by participants who may ultimately qualify for retirement, at the ages assumed for their retirement, and to their eligible survivors.

Retirement Reserve constitutes the lifetime requirements, on a present value basis, of the retirement annuities and survivors' annuities granted and in force at the Balance Sheet date plus the requirements for prospective



survivors' annuities payable upon death of the retired members.

Automatic Increase in Annuity Reserve represents the amounts derived from employee and State contributions, with interest additions, to meet the requirements for post-retirement increments in retirement annuities to qualified members.

PROJECTION OF FUTURE PENSION PAYOUTS

The continuous upward trend in pension payments gives emphasis to the importance of adequate and advance funding of the System's accruing pension liability. The following projection is illustrative:

<u>Fiscal Year Ended June 30</u>	<u>Projected Annual Pension Payments</u>
1986 (Actual)	\$3,200,212
1990	3,740,500
1995	4,650,700
2000	5,627,900
2005	6,735,000

Any changes in the factors affecting benefit payments or the qualifying conditions of a substantial character occurring in future years will require a revision of these future projected payouts. Substantial increases in rates of salary for the members above the stated assumptions will make it necessary to revise upward the estimates of future pension payments. It should be noted that unless adequate revenues are made available to fund the accruing pension cost as it is incurred according to the actuarial concept, the System may not have sufficient monies available to meet the

pension payrolls as the pension payments mature.

The above projection will be reexamined and reevaluated periodically in the light of operating experience.

NORMAL COST

The following statement presents the current funded cost for each of the several components of the benefit schedule in terms of a percentage of payroll and in dollar amounts based on an annual payroll of \$6,480,500.

	<u>Per Cent of Payroll</u>	<u>Annual Amount on Valuation Payroll</u>
1. <u>Normal Cost -</u>		
Service retirement annuity	17.7%	
Post-retirement increment	2.4	
Death Benefits	0.4	
Survivors' annuities	3.9	
Refunds	0.6	
Administrative expense	<u>0.6</u>	
Total	25.6%	\$1,659,008
Less, employee contributions	<u>11.5</u>	<u>745,258</u>
Normal Cost to the State of Illinois per year of service	14.1%	\$ 913,750
	=====	=====
2. Actuarial service requirements <u>for accrued liabilities -</u>		\$66,450,661
Less, net present assets		<u>26,738,976</u>
Unfunded accrued liability		<u>\$39,711,685</u>
		=====
3. Annual requirements from the State to finance its share <u>of annual cost -</u>		
Normal Cost	14.1%	\$ 913,750
Accrued liability (interest on the unfunded accrued liability at 6%)	<u>36.8</u>	<u>2,382,701</u>
ANNUAL COST TO THE STATE OF ILLINOIS	50.9%	\$ 3,296,451
	=====	=====

### ACTUARIAL FUNDING

The valuation was made according to the "entry-age-normal cost" method of funding. This method calls for the determination of a level amount of cost from the ages at which members entered service to the ages assumed for their retirement. The accumulated value of these amounts accruing prior to the date of valuation constitutes the accrued liability. This "accrued liability" is offset by the "net assets" at the date of valuation.

The minimum annual actuarial requirements from the State of Illinois consists of; (1) the normal or current service cost, plus (2) the interest accrual on the unfunded accrued liability. Death, disability and survivors' benefits are valued according to a one-year term basis similar to that normally used in group life insurance. The annual normal cost of the pension liability is to cover the actuarial value of pension credits earned by the members during each yearly period plus the cost of the ancillary benefits referred to above.

Concluding Comment. The financial condition of the System is relatively sound. While the rate of funding or security ratio is 40.2% which is below the recommended standard for public retirement systems in Illinois, it compares favorably with other similar systems operating for elected officials both in Illinois and outside of the State.

The management and direction of the operation of the System is conducted under progressive policies and procedures with a conscientious approach to all problems arising in operations. A high standard of efficiency

is maintained in the administration of the System by a competent and extremely dedicated administrative staff under the able direction of Norman E. Lentz, Administrative Secretary.

A. A. WEINBERG,  
Consulting Actuary

NOVEMBER 17, 1986

A P P E N D I X

Summary of Provisions of the Act  
Governing the General Assembly Retirement System

Retirement Estimate Chart

Statistical Tables

## SUMMARY OF PROVISIONS OF THE GENERAL ASSEMBLY RETIREMENT SYSTEM

(Includes amendments enacted at the 1985 session of the 84th General Assembly. This summary should not be considered as a substitute for the applicable law)

Membership. Membership includes all members of the General Assembly and State officials of the executive branch who are elected by the vote of the people of the whole State of Illinois

### 1. PARTICIPATION AND CONTRIBUTIONS OF MEMBERS

Participation. A person eligible for membership must participate in the System as a condition of employment unless an "Election Not to Participate" is filed within 24 months from the date of assuming office.

Continued Participation. A member who has at least 6 years of service as a member of the General Assembly may, following termination of service in the General Assembly, elect to continue participation in the General Assembly Retirement System while employed in certain other positions of public service provided the salary is at least equal to the regular salary of members of the General Assembly. In such case contributions and benefits would be based on the regular salary applicable to members of the General Assembly in effect during such service. This election opportunity will expire December 31, 1991, and the allowance of such continued participation is limited to 4 years.

Contributions. Members must contribute for the following purposes, by payroll deductions, at the rates indicated:

Retirement Annuity	8.5%
Automatic Annuity Increase	1.0
Survivor Annuity	<u>2.0</u>
Total	<u>11.5%</u>

Member Contributions Not Subject to Federal or State Income Tax Until Distributed. Member contributions on earnings received after January 1, 1982 are picked up as employer contributions and, therefore, that amount of salary is not considered as taxable income for Federal or State Income Tax purposes in the year the compensation is received. However, these retirement contributions will be subject to Federal Income Tax when such amounts are distributed as a retirement annuity, survivor's annuity, lump-sum death benefit or refund.

Refund of Contributions. Upon termination of service a member is entitled to a refund of his total contributions without interest.

If unmarried at retirement, a member is entitled to a full refund of his contributions for survivor's annuity. However, this refund may be repaid, with required interest, to qualify a spouse for survivor's benefits if the member marries or remarries after retirement.

## 2. RETIREMENT ANNUITY

Formula. The retirement annuity is determined according to the following formula based upon the final rate of salary:

3.0% for each of the 1st 4 years of service credit;  
3.5% for each of the next 2 years of service credit;  
4.0% for each of the next 2 years of service credit;  
4.5% for each of the next 4 years of service credit;  
5.0% for each year of service in excess of 12 years;  
Maximum is 85% of salary after 20 years of credit.

SEE ESTIMATE CHART ON FOLLOWING PAGE.

Age and Service Requirements for Retirement. A member may retire at age 55 or over with at least 8 years of service credit or at age 62 or over with between 4 and 8 years of service credit.

Total and Permanent Disability. A participant with at least 8 years of credited service who becomes disabled while in service as a contributing member is eligible for a retirement annuity regardless of age.

If disability is service-connected, the annuity is subject to reduction by the amounts received under the Workmen's Compensation Act and the Workmen's Occupational Diseases Act.

Automatic Annuity Increase. An annuitant is eligible for an annual increase of 3% in the base retirement annuity but not prior to age 60. Each annual increase is based upon the original grant of annuity. The initial increase is effective in the month of January of the year next following the year in which the first anniversary of retirement occurs or at age 60, whichever last occurs.

Suspension of Retirement Annuity. An annuitant who reenters service becomes a participant as of the date of reentry and retirement annuity payments cease. Upon subsequent retirement the member shall be entitled to a retirement annuity consisting of (1) the amount of retirement annuity previously granted, and (2) the amount of additional retirement annuity earned by the additional service, subject to the prescribed maximum.

In lieu of the above, such a member may elect to return to the System, in a single sum, all pension payments made to him prior to subsequent retirement and have his retirement annuity recalculated based on all service credited to him as though he had not previously retired.

If the provisions of the Retirement Systems' Reciprocal Act are elected at retirement, any employment which would result in the suspension of benefits from any of the systems being considered would also cause the benefit being paid by the General Assembly Retirement System to be suspended.

ESTIMATE CHART

GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS

The following table shows the approximate retirement annuity benefit with the corresponding spouse's annuity with between 8 and 20 years of service credit which is applicable to members terminating service after July 1, 1987, and based on a final annual salary of \$35,661.

<u>Years of Service</u>	<u>RETIREMENT ANNUITY</u>		<u>SPOUSE'S ANNUITY</u> (Note 2)
	<u>Percent of Salary</u>	<u>Monthly Amount at Age 55 or Over</u>	<u>Monthly Amount</u>
4 (Note 1)			
8	27%	\$ 802	\$ 534
10	36%	1,069	712
12	45%	1,337	891
14	55%	1,634	1,089
16	65%	1,931	1,287
18	75%	2,228	1,485
20 and over	85%	2,525	1,683

Note 1. A member terminating service with at least 4 years of credit but less than 8 is eligible to a pension at age 62 or over: 12% for 4 years: \$356 month  
19% for 6 years: \$564 month

Note 2. Payable at age 50 of the spouse if no children survive.

If an unmarried minor child under age 18 also survives the member, the annuity to the spouse begins as of the date of the member's death without regard to age and the annuity is increased.



### 3. SURVIVORS ANNUITY BENEFITS

Optional Reversionary Annuity. Any member may, prior to his retirement, elect to take a reduced annuity for himself and provide, on an actuarially equated basis, an annuity for a spouse, parent, child, or a brother or sister. A participant desiring to provide such a benefit should file his election with the System at least two years prior to his contemplated date of retirement.

Survivors Annuity - Qualifying Conditions. A surviving spouse without children may be considered for this benefit at age 50 or over provided marriage to the member had been in effect for at least 1 year immediately prior to the member's death.

A surviving spouse with unmarried eligible children of the member may be considered for a survivors annuity benefit at any age provided the marriage requirements forementioned have been met. When all children are disqualified because of death, marriage or attainment of age 18, the spouse's benefit is suspended, if the spouse is under age 50, until attainment of such age.

Remarriage prior to attainment of age 55 shall disqualify a surviving spouse for the receipt of an annuity.

An unmarried child of the member under age 18 may qualify for the survivors benefit if there is no surviving spouse or if the spouse remarries prior to attainment of age 55 or dies. Adopted children have the same status as children of the member if the proceedings for adoption were commenced at least one year prior to the date of the member's death.

Service Requirement. If the member dies while in service as a participant, he must have at least two years of service credit for the survivor's annuity eligibiliity. If death occurs after termination of service but before retirement, the deceased member must have at least 8 years of service credit.

Amount of Survivor's Annuity. The benefits payable to survivors in the several categories, provided qualifying provisions and other requirements have been fulfilled, are as follows:

	<u>DEATH IN SERVICE</u>	<u>DEATH AFTER TERMINATION OR RETIREMENT</u>
(a) Spouse without eligible children of the member	66-2/3% of earned retirement annuity subject to minimum of 10% of salary	66-2/3% of earned retirement annuity
(b) Spouse with eligible children of the member	30% of salary increased 10% of salary on account of each minor child subject to a maximum of 50% of salary to a family	75% of earned retirement annuity

Amount of Survivor's Annuity. (Cont'd.)

	<u>DEATH IN SERVICE</u>	<u>DEATH AFTER TERMINATION OR RETIREMENT</u>
(c) Children of the member under age 18 when there is no eligible spouse	20% of salary each child subject to a combined total payment of 50% of salary.	20% of salary each child subject to combined total payment equal to 75% of member's earned retirement annuity.

Offset by Workmen's Compensation. The survivor's annuity is subject to reduction by any amounts received by a survivor under the Workmen's Compensation Act or the Workmen's Occupational Diseases Act.

4. LUMP SUM DEATH BENEFITS

Lump sum death benefits are considered only if there are no eligible "survivor's annuity" beneficiaries surviving the deceased member.

<u>Conditions for Payment</u>	<u>Benefits Payable</u>
(a) Death before retirement with no survivors eligible to a survivor's annuity	Refund of total contribution credits to nominated beneficiary or estate.
(b) Death after retirement with no survivors eligible to a survivor's annuity	Refund of excess of (a) contributions over, (b) pension payments. Payable to nominated beneficiary or estate. If total benefits paid equal or exceed contributions, no death benefit is payable.
(c) Death of survivor annuitant with no further survivor's annuity payable	Refund of excess of (a) contributions over, (b) total retirement and survivors payments. Payable to nominated beneficiary or estate of last survivor. If total benefits equal or exceed contributions, no death benefit is payable.

5. PENSION CREDITS ESTABLISHED IN OTHER PUBLIC  
EMPLOYEE RETIREMENT SYSTEMS IN ILLINOIS

Pension credit for service transferred from other retirement systems.

Pension credit for service as a participating employee under Articles 3 through 18 of the Illinois Pension Code may be transferred to the General Assembly Retirement System at the option of a member and subject to the following conditions:

1. That the credits accrued under any of the articles fore-mentioned have been transferred to this System, and
2. That the member has contributed to this System an amount equal to (a) employee contributions at the rate in effect for participants at the date of membership in this System based upon the salary then in effect for members of the General Assembly, (b) the funded cost for the State of Illinois, in effect at such date, and (c) interest at 6% per annum, compounded annually, from the date of membership to the date of payment by the member; less the amount of participant's credits transferred from the other system.

The direct transfer of credits to this system from another system must be made while the member is an active participant of the General Assembly Retirement System.

6. RECIPROCITY

The Retirement Systems' Reciprocal Act (Chapter 108½, Article 20, Illinois Revised Statutes) provides the means for giving effect to pension credits in certain other public retirement systems in Illinois by considering such credits with credits in the General Assembly Retirement System for the purpose of determining eligibility to benefits and for computing the benefits that may be payable to participants and their dependents.

Under the "Retirement Systems' Reciprocal Act", each retirement system considers the provisions of its law in effect on the last date of last termination of service of the member under any of the systems involved. Earnings under all systems are considered by each system in establishing the salary base on which benefits are to be computed. Public employment is considered in sequence by each system in arriving at the proper graded percentage rate of annuity applicable to the member under its graduated annuity formula. Each system is to pay its proportionate annuity to the annuitant but the total payments by all systems cannot exceed the highest maximum annuity of any of the systems being considered if all of the member's public employment had been credited in that system. No additional contributions are required for this provision to be applicable.

## 7. TAXATION OF BENEFITS

Retirement and survivor's annuity benefits paid by the System are subject to Federal Income Tax. The Tax Reform Act of 1986 made several changes in the tax treatment of pension payments. The three-year recovery rule was eliminated for any individual whose benefit commences after July 1, 1986, and a portion of the monthly annuity may be excluded as income for tax purposes with the balance considered as taxable income beginning with the first payment. The nontaxable amount of the benefit is determined from the member's tax free cost and the expected return based on the life expectancy of the pensioner at the beginning date of the benefit. Under the General Assembly Retirement System the member's cost would normally represent contributions prior to January 1, 1982. When benefits become payable, the member or survivor will be provided with information regarding the Federal Income Tax treatment of the benefit and the amount the recipient is to consider as the cost of annuity.

Benefits paid by the General Assembly Retirement System are not subject to Illinois State Income Tax.

## 8. STATE EMPLOYEES GROUP INSURANCE PROGRAM

A former member receiving benefits from the System is eligible to coverage under the State Group Insurance Program. Basic health premiums for the annuitant are paid by the State and premiums for any dependent health coverage are deducted from the monthly benefit. The maximum State-paid basic life insurance coverage is \$2,000 for an annuitant at age 60 or over.

A member who begins to receive retirement benefits within one year of the date of removal from the payroll is considered an "immediate annuitant" and one who begins to receive retirement benefits after being off the payroll for more than one year is considered a "deferred annuitant" for group insurance purposes.

An "immediate annuitant" has basic life insurance coverage and may elect optional life coverage for self in multiples of up to four times the basic amount. Life coverage may also be elected for a spouse and eligible children. The State pays the premium for basic life but premiums for any optional life coverage are paid by the member by way of a deduction from the monthly benefit.

A "deferred annuitant" has basic life coverage with premiums State paid but is not eligible to elect any optional life coverage either for self or dependents.

A survivor who qualifies for monthly benefits upon the death of an active or retired member then becomes the annuitant and premiums for that survivor's basic health insurance coverage are paid by the State. A survivor annuitant of a deceased active member or "immediate annuitant" may elect \$2,000 life insurance with premiums deducted from the monthly benefit.

A member who has at least 4 years of credit in this system but not yet eligible for retirement may have coverage under the State Group Insurance Program as long as membership in this system is not terminated by the acceptance of a refund. In such case the member would be required to pay for the entire cost of the coverage including premiums normally paid by the State. This special enrollment would be handled by the General Assembly Retirement System with premiums for the coverage remitted through this office.

**STATISTICAL TABLES**

TABLE 1. ACTIVE PARTICIPANTS CLASSIFIED BY  
AGE AND TOTAL ANNUAL SALARIES

<u>Age At June 30, 1986</u>	<u>Number of Partici- pants</u>	<u>Annual Salaries</u>	<u>Age at June 30, 1986</u>	<u>Number of Partici- pants</u>	<u>Annual Salaries</u>
31	1	\$ 32,500	50	7	\$237,500
32	1	32,500	51	9	310,500
33	1	32,500	52	3	107,500
34	4	130,000	53	6	200,000
			54	5	168,500
35	1	32,500			
36	3	97,500	55	8	272,000
37	3	97,500	56	6	200,500
38	8	260,000	57	2	65,000
39	10	342,000	58	3	97,500
			59	2	71,000
40	8	280,000			
41	8	260,000	60	4	130,000
42	11	363,500	61	7	243,500
43	5	170,000	62	3	108,500
44	8	286,000	63	7	227,500
			64	4	136,000
45	8	266,000			
46	5	162,500	65	1	38,500
47	2	65,000	66	2	65,000
48	7	243,500	67	2	65,000
49	7	243,000	68	3	102,500
			69	1	32,500
			70	1	32,500
			71	1	32,500
			72	2	70,000
			73	2	70,000
			<u>Totals</u>	<u>192</u>	<u>\$6,480,500</u>

TABLE 2. ACTIVE PARTICIPANTS CLASSIFIED BY LENGTH  
OF SERVICE AND TOTAL ANNUAL SALARIES

<u>Length of Service</u> <u>June 30, 1986</u> <u>Number of Years</u>	<u>Number of</u> <u>Participants</u>	<u>Annual</u> <u>Salaries</u>
2 or less	24	\$ 780,000
4	48	1,586,000
6	26	872,000
8	19	651,000
10	19	639,500
12	17	575,500
14	13	449,000
16	5	168,500
18	15	537,000
20 or over	6	222,000
Totals	192	\$6,480,500

**TABLE 3. INACTIVE PARTICIPANTS CLASSIFIED  
BY AGE AND TOTAL ANNUAL SALARIES**

<u>Age at June 30, 1986</u>	<u>Number</u>	<u>Annual Salaries</u>
37	5	\$ 144,500
40	1	28,000
41	2	56,000
42	1	34,000
43	2	56,000
44	5	129,000
45	2	56,000
46	2	48,000
47	3	76,000
48	3	86,000
49	2	56,000
50	3	80,500
51	5	119,500
52	3	65,000
53	2	56,000
54	4	95,500
55	3	52,500
56	4	83,000
57	4	101,500
58	1	5,000
59	6	97,500
60	1	28,000
61	2	35,500
62	4	69,000
63	1	7,500
64	2	35,500
65	1	20,000
66	1	5,000
68	1	17,500
70	1	9,000
71	1	6,000
73	2	13,500
87	1	5,000
Totals	81	\$1,777,000



TABLE 4. INACTIVE PARTICIPANTS CLASSIFIED BY LENGTH  
OF SERVICE AND TOTAL ANNUAL SALARIES

<u>Length of Service</u> <u>June 30, 1986</u> <u>Number of Years</u>	<u>Number</u>	<u>Annual</u> <u>Salaries</u>
2	15	\$ 336,500
4	14	317,000
6	11	197,000
8	16	285,500
10	10	272,000
12	5	110,500
14	5	115,000
16	2	70,500
18	1	28,000
20	2	45,000
	<hr/>	<hr/>
Totals	81	\$1,777,000
	<hr/>	<hr/>

**TABLE 5. RETIREMENT ANNUITANTS CLASSIFIED  
BY AGE AND TOTAL ANNUAL ANNUITIES**

<u>Age At June 30, 1986</u>	<u>Number</u>	<u>Annual Annuity</u>
55	5	\$ 82,548
56	5	84,949
57	4	63,804
58	6	148,270
59	4	61,108
60	8	74,939
61	7	112,896
62	11	152,718
63	9	105,440
64	12	184,137
65	10	217,286
66	7	105,248
67	8	122,183
68	4	35,032
69	7	73,904
70	11	178,905
71	8	142,058
72	7	52,589
73	3	53,718
74	9	110,872
75	5	69,797
76	4	66,404
77	9	95,178
78	5	68,274
79	4	33,335
80	5	66,219
81	5	44,705
83	1	6,642
84	1	18,750
85	5	54,704
86	2	12,457
88	2	4,980
89	2	21,563
90	1	1,200
91	1	1,670
92	1	18,880
96	1	3,938
<b>Totals</b>	<b>199</b>	<b>\$2,751,300</b>

TABLE 6. SURVIVOR ANNUITANTS CLASSIFIED BY  
AGE AND TOTAL ANNUAL ANNUITIES

<u>Age At June 30, 1986</u>	<u>Number</u>	<u>Annual Annuity</u>
37	1	\$ 13,000
54	1	6,593
55	2	20,700
56	2	13,681
57	1	17,733
58	3	18,913
59	1	5,849
60	3	2,468
61	3	15,840
62	2	15,333
63	2	25,301
65	3	29,173
66	4	24,185
67	5	17,096
68	7	32,659
69	1	8,750
70	2	1,323
71	3	11,607
72	1	1,250
73	4	20,501
74	4	18,315
75	6	10,000
76	5	34,995
77	9	24,161
78	6	21,972
79	8	23,950
80	3	4,217
81	4	3,700
82	2	7,167
83	4	12,129
84	1	1,000
85	6	12,857
86	3	7,839
87	1	7,194
88	4	11,285
91	1	667
92	2	2,867
Totals	120	\$506,270